



WISCONSIN

DEPARTMENT OF WORKFORCE DEVELOPMENT  
Division of Workforce Solutions  
Bureau of Workforce Programs

TO: **Economic Support Supervisors  
Economic Support Lead Workers  
Training Staff  
Child Care Coordinators  
W-2 Agencies**

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**BWSP OPERATIONS MEMO**

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Non W-2 ☐ W-2 ☒ CC ☐

PRIORITY: High

SUBJECT: **OFFSETS AND SUPPLEMENTAL CHECKS FOR INAPPROPRIATE  
SANCTIONS**

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**CROSS REFERENCE:** W-2 Manual, Chapters 10 and 11  
Operations Memos 98-12 and 01-21

**EFFECTIVE DATE:** Immediately

**PURPOSE**

This memo provides information on the actions W-2 agencies must take in processing auxiliary payments to W-2 participants who were inappropriately sanctioned since the inception of W-2.

**NOTE:** Throughout this memo we refer to the Reconciliation Form for Inappropriate Sanctions; a copy of this is at the end of the memo. However, you do not have to use this form if:

1. You have already sent the Regional Office or DWS the information requested on the form for a case.
2. You choose to add the columns from the form on the reports DWS sends you and that you have not yet submitted to the Regional Office.

**BACKGROUND**

A recent Legislative Audit Bureau report found inappropriate sanctions were imposed on participants in non-sanctionable W-2 placements. DWD reviewed cases to identify clients that were inappropriately sanctioned. Those sanctions happen when a participant moves from a case management placement to a payment placement and from a non-sanctionable Custodial Parent of an Infant (CMC) placement to sanctionable payment placement. DWD issued lists of participants that received reduced payments due to the appearance of inappropriate sanctions

to the relevant agencies. DWD will issue quarterly updates to agencies of cases with inappropriate sanctions.

### **PAYMENT AND RECONCILIATION PROCESS**

DWD sends the list to the agency that appears to have imposed an inappropriate sanction. The agency that managed the case during the time when the sanction took place must determine the type of action that needs to be taken to rectify the situation. If a participant is currently being served by another agency or if the case is closed, the current or last agency that provided services is able to produce a check. Because one agency might be making a determination on the action that needs to be taken and another might issue a check, a reconciliation process is in place so the correct contract will be charged for inappropriate sanctions. Past sanction amounts will be charged to current W-2 contracts.

The Reconciliation Form for Inappropriate Sanctions (see below) will allow communication between agencies through the Regional Office staff. Regional Office staff will follow up with the appropriate agencies. Regional staff will pass along information to appropriate Central Office staff to track the effort at the local level, offer assistance to locate missing individuals and to charge contracts when appropriate.

### **PAYMENT OFFSETS AND AUXILIARY PAYMENTS**

If an underpayment has occurred, you can take 2 types of action to correct the payment.

1. If you determine the participant is due a payment as s/he was underpaid and there is an existing overpayment balance owed from another period, a payment **offset** may apply. This could occur if the worker backdated a placement in a non-paid placement after the benefit had been issued. The amount of the overpayment offsets the underpayment; that is, only the amount of the underpayment that exceeds the overpayment is given the participant. This applies for past payments periods (**W-2 Manual**, 10.3.3). Overpayments can be identified in the CARES BV subsystem by tranning to BVCA with the case number or BVCI with the pin or social security number.
2. If you do not have an identified overpayment, an **auxiliary** payment for the appropriate amount figured by the worker rectifies the inappropriate sanction.

Kelly is in a CSJ placement and attends her work site full time and never misses a day. She delivers a baby on January 4, 2001. The worker receives notice regarding Kelly's absence from her work site and enters non-participation on WPNP for January 4-6<sup>th</sup>. Kelly calls her worker on January 7<sup>th</sup> and reports she had the baby on January 4<sup>th</sup>. The worker changes Kelly's placement to CMC. The worker does not backdate or good cause the missed hours for January 4-6<sup>th</sup>. The DWS match indicates a potential inappropriate sanction and the worker determines that additional payment is due. The worker issues an auxiliary check to Kelly.

**OPEN CASES***OPEN CASE IN THE W-2 AGENCY WHERE THE INAPPROPRIATE SANCTIONING OCCURRED*

In this case, the agency that receives the report determines the appropriate action to take and issues an auxiliary payment or an offset. If a worker determines that an auxiliary payment is appropriate, the worker enters on WPMA good cause for the appropriate hours and uses the PF17 key to initiate the process for calculation of the exact amount of the auxiliary check. The worker completes BICS for the auxiliary payment or offset, notifies his/her supervisor that the auxiliary needs to be approved and the agency submits the form to the Regional Staff member.

Kathy delivers a baby on March 15th, 1999. Her check was sanctioned 4 hours on March 15<sup>th</sup>, 1999 for missed activities. The worker later learns the hours were entered for the day the baby was born. When issuing an auxiliary check on BICS, the worker offsets the auxiliary with an overpayment indicated on screen BICS. The worker documents the offset in case comments and completes the Reconciliation Form; the agency submits it to the Regional Office.

*OPEN W-2 CASE IN A DIFFERENT W-2 AGENCY THAN WHERE THE INAPPROPRIATE SANCTIONING OCCURRED*

The agency where the inappropriate sanctioning occurred receives the report from DWS and determines the appropriate action to take. The worker completes the Reconciliation Form and sends it to the Regional Office. If needed, the Regional Office contacts the participant's current W-2 agency if a check needs to be issued or an offset needs to be processed. If the current agency issues a check, DWS will supplement its contract amount to reflect the sanction amount.

The worker at Agency X is notified that Viola, a CSJ participant, was inappropriately sanctioned. She started a job on July 6, 2001. Her worker moved her into a CMF placement and enrolled her in a job retention workshop. Viola did not attend 2 days of the workshop and the worker indicated the missed activity in CARES but did not change the activity to non-sanctionable on WPCS so the hours are not good caused. Viola's W-2 benefits were sanctioned for 4 hours of missed activity. Viola is currently on a caseload at Agency Y. The worker at Agency X determines an auxiliary check needs to be issued to rectify the underpayment and fills out the Reconciliation Form to reflect this action; the agency submits the form to the Regional Office. The Regional Office contacts at Agency Y to issue a supplementary check for the 4 hours. The worker documents the payment in case comments and completes the Reconciliation Form; the agency submits it to the Regional Office for reimbursement.

*OPEN CASE IN AN ECONOMIC SUPPORT-ONLY AGENCY WHERE SANCTIONING HAPPENED IN A W-2 AGENCY*

The agency where the inappropriate sanctioning occurred receives the report from DWS and determines the appropriate action to take. The worker sends the Reconciliation Form to the Regional Office and the Regional Office contacts the Economic Support agency (ESA). An ESA can issue an auxiliary check. This is rarely done and will have to be tracked through the Regional Office. The check or offset is processed on screen BICS. Complete the areas that apply on the Reconciliation Form and send it into the appropriate Regional Office. The ESA will be reimbursed for the amount they issue for inappropriate sanctions.

**CLOSED CASES***LOCATING A FORMER PARTICIPANT*

There may be instances when an individual whose W-2 case has closed will be eligible for a payment because of an inappropriate sanction. A worker at the agency that last had the case must make reasonable efforts to locate a participant before issuing an auxiliary check. If the worker is unable to find the participant, the worker documents his/her efforts to contact the former participant on the Reconciliation Form and in case comments including the amount owed to the former participant.

“Reasonable efforts” include:

1. Attempts to contact the participant by phone or mail.
2. Using all available databases such as KIDS, CARES and Case Manager’s Desktop Resource (CMDR), where available, to find the former participant’s current location.

Agency A receives a notice regarding an inappropriate sanction of a client that was last served by Agency B. Agency A determines an auxiliary check needs to be issued and fills out the Reconciliation Form and sends it into the Regional Office. The Regional Office contacts Agency B and Agency B sends a letter to the last known address and also checks CARES and KIDS for updated information. Agency B is unable to obtain a current location of the former participant and documents in CARES the steps taken to contact the individual and the amount owed. Agency B fills out the Reconciliation Form and sends it to the Regional Office. The Regional Office contacts the Central Office to obtain their assistance with location efforts.

*CLOSED CASE IN A W-2 AGENCY WHERE THE INAPPROPRIATE SANCTION TOOK PLACE*

The worker determines appropriate action on the case. If an auxiliary check is appropriate, the worker makes reasonable efforts to contact the individual. Do not change CARES screen WPMA for closed cases. If the worker locates the past participant, s/he issues the payment to the current address. If the worker is unable to locate the current address, s/he completes the Reconciliation Form and indicates the need for assistance in locating the participant.

*CLOSED CASE WHERE ANOTHER AGENCY SERVED THE CLIENT LAST*

The agency that served the client during the time the inappropriate sanction took place must make the determination on the appropriate action. Complete the Reconciliation Form and send it to the Regional Office.

The Regional Office will contact the last agency that served the client before the case closed to take the proper action, including locating the participant. Do not change screen WPMA for closed cases. Complete the Reconciliation Form and send it to the Regional Office for reimbursement.

***CORRECT PAYMENT, WRONG PLACEMENT***

In some cases, the participant received the correct payment but the worker did not change the placement in CARES. Document in case comments that the participant received the correct payment, complete the appropriate sections of the Reconciliation Form and submit it to the Regional Office. If the case is currently open or served last at a different W-2 agency, the Agency with the paper file should fill out the Reconciliation Form and submit it to the Regional Office who will contact the current W-2 agency to enter case comments.

Carrie's daughter turned 12 weeks old on February 1<sup>st</sup>. Carrie started at her work site on February 2<sup>nd</sup> and missed hours on February 9-11 without good cause; her check was reduced to reflect the missed hours. The worker changed the employability plan to reflect CSJ activities but did not change the placement from CMC to CSJ. The worker documents on CMCC that Carrie received the correct check amount but her placement was incorrect. The worker fills out the Reconciliation Form and submits it to the Regional Office.

***CARES***

BICS, the auxiliary request screen, is accessible to the FEP or ES worker who currently has the case or to the last agency that worked with the participant before the case closed. The supervisor of the caseload can process an auxiliary payment or an offset in cases where:

1. The worker was not employed at the agency during the time when the sanction took place
2. Or if a worker is no longer employed at the agency.

A supervisor's approval is necessary to issue an auxiliary check if the worker has a security code of 025.

CARES can issue an auxiliary payment as low as \$1.00. An auxiliary payment must be entered in a whole dollar amount so round the payment amount up or down to the nearest dollar amount [if 49¢ or less to the lowest next dollar (drop the cents); 50¢ or more to the next highest dollar].

Chris was inappropriately sanctioned for 1 hour of participation, \$5.15. CARES deducted \$5.00 [due to rounding (down)]. The actual amount of the check Chris receives is \$5.00.

Laura was inappropriately sanctioned for 5 hours of participation, \$20.60. CARES deducted \$21.00 [due to rounding (up)]. The actual amount of the check Laura receives is \$21.00.

Use code 910 ("payment reduced by error") on the auxiliary payment screen, BICS.

Follow usual practice on BICS when needing to offset.

Document in case comments (CMCC) the action taken to rectify inappropriate sanctions.

**TIME FRAME**

Agencies must rectify the inappropriate sanctions within 90 days of the release of this Operations Memo using this time frame:

1. 30 days from the release of this Operations Memo, agencies must take the appropriate action for:
  - a. Closed cases in the same W-2 agency where the inappropriate sanctions took place
  - b. Open cases in the same agency where the inappropriate sanctions took place.
2. 60 days from the release date of this Operations Memo agencies must report action another agency must process to rectify the inappropriate sanction.

DWD will provide quarterly updates to the agencies regarding inappropriate sanctions. The agency must rectify the underpayments 15 days from the issuance of the monthly follow-up lists. DWD will distribute the lists to agencies until CARES is programmed to prevent the errors.

**PREVENTION OF INAPPROPRIATE SANCTIONS**

Review **W-2 Manual**, Chapters 10 and 11, and Operations Memos 98-12 and 01-21 for case management techniques to avoid inappropriate sanctions.

Please also review report EOS 760, W-2 Payment Listing. The report shows the participants sanctioned in certain W-2 placements and the amounts of those sanctions within an agency. Checking this report allows an agency to recognize the inappropriate sanctions and rectify the situation immediately.

**CONTACT**

DES CARES Information & Problem Resolution Center

Email: [carpolcc@dwd.state.wi.us](mailto:carpolcc@dwd.state.wi.us)  
Telephone: 608-261-6317 (Option #1)  
Fax: 608-266-8358

**Note:** Email contacts are preferred. Thank you.

## RECONCILIATION FORM FOR INAPPROPRIATE SANCTIONS

Complete form for action taken to rectify identified inappropriate sanctions. Return to your Regional Office staff for tracking and reimbursement.

**AGENCY:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

1. <b>CASE #</b>	2. <b>Correct Payment</b>	3. <b>Incorrect Payment Due</b>	4. <b>Auxiliary Payment Amount</b>	5. <b>Auxiliary Payment Date</b>	6. <b>Office Issuing</b>	7. <b>Office Liable</b>	8. <b>Person Found</b>	9. <b>Efforts to Locate</b>	10. <b>Referral to DWS</b>
	Y or N	Y or N		_/_/_			Y or N		Locate a Past Participant  Refer to Another Agency  Reimbursement

**Comments:**

Column 1—Write Case Number

Column 2—Circle a “Y” for “Yes, the payment was correct” or “N” for “No the payment was incorrect”

Column 3—If the payment is incorrect, indicate if a payment is due to the participant

Column 4—Indicate the check amount due to the participant

Column 5—If an auxiliary was issued to the participant, indicate the date it was sent out

Column 6—Indicate the agency that issued the auxiliary payment

Column 7—Indicate the agency liable for the auxiliary amount

Column 8—Circle a “Y” for “Yes, the person was located”. Circle “N” for “No, unable to locate”

Column 9—If you circled “N” in Column 8 indicate steps taken to locate a past participant

Column 10—Circle the type of action DWS needs to take to complete the process